

General Assembly

Raised Bill No. 1107

January Session, 2023

LCO No. 4610



Referred to Committee on HIGHER EDUCATION AND EMPLOYMENT ADVANCEMENT

Introduced by: (HED)

## AN ACT CONCERNING CONTRACTS, BIDS AND CAPITAL IMPROVEMENT PROJECTS FOR THE UNIVERSITY OF CONNECTICUT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Subsections (m) and (n) of section 10a-151b of the general
- 2 statutes are repealed and the following is substituted in lieu thereof
- 3 (Effective from passage):
- 4 (m) The chief executive officer of a constituent unit may join with a
- 5 federal agency, another state government, another constituent unit,
- 6 political subdivision of this state or private or nonprofit organization in
- 7 a cooperative purchasing plan when the best interests of the state would
- 8 be served by such plan.
- 9 (n) The state, through the chief executive officer of a constituent unit,
- 10 may purchase equipment, supplies, materials and services from a
- 11 person who has a contract to sell such property or services to <u>a federal</u>
- 12 <u>agency</u>, another state government, <u>another constituent unit</u>, political
- 13 subdivision of this state, nonprofit organization or private or public

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purchasing consortium, in accordance with the terms and conditions of such contract.

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- Sec. 2. Subsections (b) and (c) of section 10a-151b of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):
- (b) Except as provided in subsection (c) of this section, purchases made pursuant to this section shall be based, when possible, on competitive bids or competitive negotiation. Such chief executive officer shall solicit competitive bids or proposals by sending notice to prospective suppliers and by posting notice on a public bulletin board in such officer's office. Such notice shall contain a notice of state contract requirements pursuant to section 4a-60. Each bid or proposal shall be kept sealed until opened publicly at the time stated in the notice soliciting such bid or proposal. Sealed bids or proposals shall include bids or proposals sealed within an envelope or maintained within a safe and secure electronic environment until such time as they are publicly opened. If the amount of the expenditure is estimated to exceed [fifty] one hundred thousand dollars, not later than five calendar days before the final date of submitting competitive bids or proposals, competitive bids or proposals shall be solicited by public notice posted on the Internet. All purchases [fifty] one hundred thousand dollars or less in amount shall be made in the open market, but shall, when possible, be based on at least three competitive quotations. If desired by the constituent unit, competitive quotations may include quotations submitted to the constituent unit within a safe and secure electronic environment. The constituent unit shall not refuse to consider a bid, proposal or quotation because it is not submitted electronically.
- (c) Competitive bidding or competitive negotiation is not required in the case of (1) minor purchases of [ten] twenty-five thousand dollars or less in amount, (2) purchases made pursuant to subsection (k) of this section, (3) emergency purchases, (4) agricultural purchases of dairy products, poultry, farm-raised seafood, beef, pork, lamb, eggs, fruits, vegetables or other farm products in an amount of fifty thousand dollars

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or less, or (5) a qualified contract, as described in subdivision (1) of subsection (b) of section 10a-151f, that is entered into pursuant to the policies adopted by either the Board of Trustees of The University of Connecticut or the Board of Regents for Higher Education pursuant to section 10a-151g. Whenever an emergency exists by reason of extraordinary conditions or contingencies that could not reasonably be foreseen and guarded against, or because of unusual trade or market conditions, the chief executive officer may, if it is for the best interest of the state, make purchases without competitive bidding. A statement of all emergency purchases made under the provisions of this subsection shall be set forth in the annual report of the chief executive officer. The chief executive officer, when making an agricultural purchase in accordance with subdivision (4) of this subsection, shall give preference to dairy products, poultry, farm-raised seafood, beef, pork, lamb, eggs, fruits, vegetables or other farm products grown or produced in this state when such products, poultry, farm-raised seafood, beef, pork, lamb, eggs, fruits or vegetables are comparable in cost to other dairy products, poultry, eggs, fruits or vegetables being considered for purchase by the chief executive officer that have not been grown or produced in this state.

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Sec. 3. Subdivision (9) of subsection (c) of section 10a-109n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(9) (A) The university shall not enter into a construction manager atrisk project delivery contract that does not provide for a maximum guaranteed price for the cost of construction which shall be determined not later than the time of the receipt and approval by the university of the trade contractor bids. Each construction manager at-risk shall invite bids and give notice of opportunities to bid on project elements, by posting any such invitation or notice on the State Contracting Portal. Each bid shall be kept sealed until opened publicly at the time and place as set forth in the notice soliciting such bid. The construction manager at-risk shall, after consultation with and approval by the university, award any related contracts for project elements to the responsible

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qualified contractor, who shall be prequalified pursuant to section 4a-100, submitting the lowest bid in compliance with the bid requirements, provided [(A)] (i) the construction manager at-risk shall not be eligible to submit a bid for any such project element, and [(B)] (ii) construction shall not begin prior to the determination of the maximum guaranteed price, except (I) for the project elements of site preparation and demolition that have been previously put out to bid and awarded, and (II) for the project elements of site preparation, demolition, public utility installation and connections and building envelope components, including the roof, doors, windows and exterior walls, as provided in subparagraph (B) of this subdivision.

- (B) Construction may begin prior to the determination of the maximum guaranteed price for the project elements of site preparation, demolition, public utility installation and connections and building envelope components, including the roof, doors, windows and exterior walls, provided (i) the project involves the renovation of an existing building or facility; (ii) the project element or elements involved in such early work have been previously put out to bid and awarded; and (iii) the total cost of construction of the early work does not exceed twenty-five per cent of the estimated cost of construction for the entire project.
- (C) If such project involves the renovation of an existing building or facility that will be performed in multiple phases while such building or facility remains occupied, the university may enter into a construction manager at-risk project delivery contract that provides for the maximum guaranteed price to be determined for each phase of the project, prior to beginning each such phase, provided each party to the contract complies with all of the requirements of subparagraph (A) of this subdivision, except the timing of the determination of the maximum guaranteed price set forth in clause (ii) of said subparagraph.
- Sec. 4. Subdivisions (2) to (4), inclusive, of subsection (c) of section 10a-109n of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

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(2) (A) Except as provided in subparagraph [(B)] (D) of this subdivision, any total cost basis contract or other contract for the construction of a university project [which] that is estimated to cost more than five hundred thousand dollars, shall be publicly let by the university. The university shall give notice to contractors interested in [prequalifying to submit] submitting a project proposal or bid, by posting any such notice on the university web site and on the State Contracting Portal. The notice to [prequalify] contractors shall contain (i) the requirement that contractors be prequalified pursuant to section 4a-100 or subparagraph (B) of this subdivision, as applicable to such contract, (ii) a statement of the time and place where the responses shall be received, and (iii) such additional information as the university deems appropriate. Upon receipt of such responses, the university shall select [each] any contractor who (I) to the extent required pursuant to the provisions of section 4b-91, has been prequalified pursuant to section 4a-100, [and] (II) has shown itself able to post surety bonds required by such contract, [and] (III) has [demonstrated that it possesses the financial, managerial and technical ability and the integrity necessary and without conflict of interest for faithful and efficient performance of the work provided for therein.] no conflict of interest in the performance of work required by such contract, and (IV) for any such contract that is estimated to cost more than one million dollars, has been prequalified by the university pursuant to subparagraph (B) of this subdivision.

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(B) For any contract subject to the provisions of subparagraph (A) of this subdivision that is estimated to cost more than one million dollars, the [The] university shall [evaluate] prequalify each contractor by evaluating whether [each] (i) such contractor (I) has demonstrated that it possesses the financial, managerial and technical ability and integrity necessary to faithfully and efficiently perform work for the university in accordance with the requirements set forth in the prequalification application issued by the university, and (II) is responsible and qualified based on its experience with projects similar to that for which the bid or proposal is to be submitted and based on objective written criteria

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included in the [application to request prequalification with respect to such contract. The university shall also consider whether a contractor, and] prequalification application issued by the university, and (ii) any subcontractor on the contractor's previous projects, has been in compliance with the provisions of part III of chapter 557 and chapter 558 during the previous five calendar years. The university, in its discretion, may include additional qualification requirements in the notice posted pursuant to subparagraph (A) of this subdivision.

(C) The university may issue a confirmation of prequalification for contracts subject to the provisions of this subdivision to any contractor who meets the requirements set forth in subparagraph (B) of this subdivision. Such confirmation of prequalification shall be effective for one year from the date of issuance and, upon receipt of a completed renewal application and any other materials as prescribed by the university, may be renewed for a period not exceeding two years.

[(B)] (D) Notwithstanding the provisions of subparagraph (A) of this subdivision, the board of trustees may approve a total cost basis contract or other contract for the construction of a university project which is estimated to cost more than five hundred thousand dollars that has not been publicly let pursuant to the provisions of said subparagraph (A), provided the board deems the contract to address an emergency.

(3) [The university shall thereafter give notice to those so prequalified by the university pursuant to subdivision (2) of this section of the time and place where the public letting shall occur and shall include in such notice such information of the work required as appropriate.] Each bid or proposal shall be kept sealed until opened publicly at the time and place as set forth in the notice soliciting such bid or proposal. The university shall not award any construction contract, including, but not limited to, any total cost basis contract, after public letting, except to the responsible qualified contractor, submitting the lowest bid or proposal in compliance with the bid or proposal requirements of the solicitation document. The university may, however, waive any informality in a bid or proposal, and may either reject all bids or proposals and again

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advertise for bids or proposals or interview at least three responsible qualified contractors and negotiate and enter into with any one of such contractors that construction contract which is both fair and reasonable to the university.

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- (4) The [notice to each contractor prequalified to submit a proposal or bid and the] construction contract, including each total cost basis contract, awarded by the university shall contain such other terms and conditions, and such provisions for penalties as the university may deem appropriate.
- Sec. 5. Subdivision (10) of subsection (c) of section 10a-109n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):
  - (10) If the university designates a project as suitable for a design-build contract, the university may enter into a single contract with a designbuilder recommended by a selection panel and selected by the university. The university shall give notice of such project and specifications for such project by posting such notice on the State Contracting Portal. The university shall establish a selection panel for each project to score the qualifications and past performance of each design-builder who submits a competitive proposal to the university for such project. The selection panel shall score the qualifications and past performance of each design-builder using a predetermined scoring method developed by the university and provided to each designbuilder in advance of such design-builder's development of the competitive proposal. The selection panel's scoring method may be unique to each project, but shall consist of combining the score of each design-builder's qualifications and past performance and evaluating the technical merit of the competitive proposal and each design-builder's projected project cost. The design-build contract shall (A) include, but not be limited to, such project elements as permitting, engineering, design, construction and, if applicable, site acquisition, and (B) be based on the competitive proposal submitted by the design-builder that is selected by the university. No design-build contract for which the total

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cost is estimated to be more than [five hundred thousand dollars] the amount set forth in subdivision (2) of subsection (a) of section 4b-91 may be awarded to a design-builder who is not prequalified for the project in accordance with section 4a-100. Such design-build contracts shall state the responsibilities of the design-builder to deliver a completed and acceptable project on a date certain and the maximum costs of the project and, if applicable, as a separate item, the cost of any site acquisition. The university shall determine all other requirements and conditions for such competitive proposals, selection of a design-builder and other awards and shall have sole responsibility for all other aspects of such design-build contracts.

This act shall take effect as follows and shall amend the following sections:		
Section 1	from passage	10a-151b(m) and (n)
Sec. 2	October 1, 2023	10a-151b(b) and (c)
Sec. 3	from passage	10a-109n(c)(9)
Sec. 4	October 1, 2023	10a-109n(c)(2) to (4)
Sec. 5	October 1, 2023	10a-109n(c)(10)

## Statement of Purpose:

To (1) allow constituent units of the state system of higher education to enter into cooperative contracts with other such constituent units and federal agencies, (2) adjust the minimum amount at which competitive bids are solicited on the Internet from fifty thousand dollars to one hundred thousand dollars, (3) adjust the maximum amount that qualifies as a minor purchase from ten thousand dollars to twenty-five thousand dollars, (4) amend the requirements for a maximum price guarantee for renovations of an existing building, and (5) allow The University of Connecticut to prequalify contractors for a period of one year, with two-year renewal periods, for contracts costing more than one million dollars.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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